

MAZDA BUSINESS TEAM UPDATE

November 2002 / Timo Rau + Hiroshi Kimura

I. Key Sales Activities

1. J48C

A) The updated TCR's for the recent change on the IC were submitted, the TCR's for the engineering on the other parts will be completed by the end of this year.

B) SOW will be reviewed and signed by Narita san if acceptable.

C) Mazda have difficulties to achieve their US NCAP targets with the current restraints system. They intend to change to higher load level, implement digressive load limiters or retractor pretensioners instead of R27LL. Timing and costs were submitted, Mazda still have not come to a decision.

2. ABC CR Activity

A team has been established consisting of Engineering, Purchase, Production and Quality to identify cost reduction potentials. According to Mazda our competitors Ashimori and Takata have already committed to achieve the target of 31% within 3 years. Takata has similar price levels as we have. Considering that inflators and MGG are the biggest cost drivers and neither Takata nor Ashimori have inflator production in Japan, this statement is questionable.

II. Wins / Losses

A) J44 (MPV Successor, SOP 07/2004):

Mazda informed us that Autoliv was not considered in the concept-in RFQ because our ABC market prices were not competitive and recent performance in the US did not help us either.

B) J48J (Premacy Successor, SOP 10/2004): Although J48J is based on the same platform as J48C and it would make the most sense to work with the same suppliers, Mazda decided to source that program with Ashimori for the a.m. reasons.

C) J54 Passenger Airbag:

Since Autoliv was not committed to offer any cost reductions for this product, Mazda will source the airbag from Ashimori who are committed to develop a passenger A/B in six month time. J54 now will phase out at the same time as J39, build in the same line. As J54 is not profitable we should not argue with Mazda.

Plaintiff's
Exhibit

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D) U204 and J14 RHD will not follow the 2005MY change. Mazda have the purchasing and design responsibility for RHD. They decided to change from the current WAB to a 3 spoke wheel from TG/Takata. On the rear belts they are going to change to Ashimori as they can offer similar belts for half the price. The situation has been discussed with Ford, but it does not look as if they are going to help us on this problem.

III. Cost Reduction / Margin Improvements

Mazda has complained to Autolive's slow activity towards the ABC plan. We are planning to invite Mazda engineers in our HFO office to introduce VAVE ideas for the J48C on Dec. 24 and 25.

IV. Other Important Information

1. HFO spent a lot of time support the US business. But the situation has not really improved since we started direct business with Mazda.
2. RFQ from Ford Asia Pacific
We have received a RFQ for J48C in Asia pacific. They would like to buy the seat belts locally to achieve the 40% local content requirements in these counties. The due date is Jan. 16, 2003.
3. Finally ALE has almost come to an agreement with Visteon Hiroshima. A presentaion on roll over sensors for the J31 program will be made on December 18th. Roles and responsibilities need to be further discussed with Visteon.
4. Autoliv will take over the shares Kuroshi Steel holds in the NSI (Nippon Steel Industry) joint venture by the end of this year. This will give us the possibility to also produce airbags and seat belts in Hiroshima and save huge transportation costs, especially on the IC.

V. % of Invoiced Money Overdue

No issues.